

## COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Judiciary, to which was referred Senate Bill No. 630, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1           Page 3, line 42, delete "may not have more than two" and insert
- 2           **"must:**
- 3                 **(1) be a small business concern (as defined in Section 121.201**
- 4                 **of the small business size regulations of the United States**
- 5                 **Small Business Administration (13 C.F.R. 121.201));**
- 6                 **(2) employ at least seventy percent (70%) of its employees in**
- 7                 **Indiana; and**
- 8                 **(3) be in need of venture capital and unable to obtain**
- 9                 **conventional financing."**
- 10          Page 4, delete lines 1 through 2.
- 11          Page 4, delete lines 23 through 26.
- 12          Page 4, line 27, delete "6." and insert **"5."**
- 13          Page 7, between lines 11 and 12, begin a new paragraph and insert:
- 14          **"Sec. 4. A certified capital company may not provide at the time**
- 15          **of its investment in a qualified Indiana business more than fifty**
- 16          **percent (50%) of the financing sought by the qualified Indiana**
- 17          **business in which the certified capital company made its**
- 18          **investment."**
- 19          Page 7, line 12, delete "4." and insert **"5."**
- 20          Page 7, line 16, delete "5." and insert **"6."**

1 Page 8, line 6, delete "6." and insert "7."

2 Page 8, line 6, delete "5(4)" and insert "**6(4)**".

3 Page 8, line 13, delete "7." and insert "8."

4 Page 8, between lines 32 and 33, begin a new paragraph and insert:

5 **"Sec. 4. Cumulative distributions from a certified capital**  
 6 **company to its certified investors and equity holders, other than**  
 7 **qualified distributions, in excess of the certified capital company's**  
 8 **original certified capital and any additional capital contributions**  
 9 **to the certified capital company may be audited by a nationally**  
 10 **recognized certified public accounting firm acceptable to the**  
 11 **department, at the expense of the certified capital company, if the**  
 12 **department directs the audit to be conducted. The audit must**  
 13 **determine whether aggregate cumulative distributions from the**  
 14 **certified capital company to all certified investors and equity**  
 15 **holders, other than qualified distributions, have equaled the sum**  
 16 **of the certified capital company's original certified capital and any**  
 17 **additional capital contributions to the certified capital company.**  
 18 **If at the time of any such distribution made by the certified capital**  
 19 **company, the distribution taken together with all other such**  
 20 **distributions, exceeds in the aggregate the sum of the certified**  
 21 **capital company's original certified capital and any additional**  
 22 **contributions to the certified capital company, as determined by**  
 23 **the audit, the certified capital company shall pay to the department**  
 24 **of state revenue ten percent (10%) of the portion of the**  
 25 **distribution in excess of the amount. Payments to the department**  
 26 **of state revenue shall not exceed the aggregate amount of tax**  
 27 **credits used by all certified investors in the certified capital**  
 28 **company."**

29 Page 8, line 42, delete "IC 27-14-6-7." and insert "**IC 27-14-6-8.**".

30 Page 9, line 40, delete "IC 27-14-6-5(3)" and insert "**IC**  
 31 **27-14-6-6(3)**".

32 Page 10, line 35, after "exceed" insert "**the lesser of the amount**  
 33 **appropriated under section 8 of this chapter or**".

34 Page 10, line 38, after "(\$10,000,000)" delete "," and insert "**or the**  
 35 **amount appropriated for the taxable year under section 8 of this**  
 36 **chapter,**".

37 Page 11, line 2, delete "section 5" and insert "**sections 5 and 8**".

38 Page 11, between lines 13 and 14, begin a new paragraph and insert:

1       **"Sec. 8. In each taxable year, credits may be allowed under this**  
2       **chapter only in the aggregate amounts appropriated for the taxable**  
3       **year in a budget bill (as defined in IC 4-12-1-2)."**

(Reference is to SB 630 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 7, Nays 0.

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**Bray**

**Chairperson**